

⁹ The Single Tax

What It Is and What It Will
Accomplish



By Judson Grenell

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JUDSON GRENELL

For the past thirty years Judson Grenell has been a newspaper man, and almost continuously on the staffs of Detroit (Mich.) newspapers. Previous to this he was a printer, and in good fellowship with the trade organizations with which typographical unions have been affiliated. Always a student of economic problems, his newspaper training has given him a direct and decisive style, which, as stated by the Single Tax Review, has enabled him to make "an admirable and seemingly faultless statement of Single Tax principles, couched in language and reasoning that seems to us the essence of simplicity." Outside of his newspaper work, most of his writings have been on economic subjects relating to taxation and good government. He has represented Michigan in the state legislature, done essay and statistical work for national and state labor bureaus, and, when in Europe, supplied a number of daily, weekly and monthly publications with letters on European industrial conditions.

F. H. MONROE.



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FOREWORD

In the introduction to "Progress and Poverty," Henry George stated that the problem of civilization was to find the cause of the persistence of poverty, in spite of constantly increasing power of wealth production. It was to find the cause of such illogical situations as that of the woman with a sewing machine, forced to work as hard in the same "poverty, hunger and dirt," as did her predecessor with a needle in the days of Thomas Hood. That *was* the problem when Henry George began his work. It is a problem no longer. The solution was presented in "Progress and Poverty". It only remains for those who would remedy so intolerable a state of affairs, to investigate his proposition and endeavor to have it applied.

Many are doing so. Henry George's works have been supplemented by the writings of others, presenting in different ways and sometimes from different viewpoints the truth that he made clear. "Progress and Poverty" is a linked argument, the thorough study of which may require more time and patience than a very busy reader may feel himself willing to give. It treats the question from all sides, whereas some readers may be interested in but one. For such as these

the supplementary writings are to be recommended.

These supplementary writings consist not only of the later writings of George, but of such able writers as Thomas G. Shearman, whose "Natural Taxation" may be well considered unsurpassable as an interesting exposition of the fiscal side of the Single Tax. Then such writers deserve mention as Louis F. Post, Frederic C. Howe, Bolton Hall and many others. The problem of civilization has been solved, but the responsibility of applying the solution still remains upon us for conditions are still as Henry George showed "in the very heart of our civilization today women faint and little children moan." And we must bear in mind his words when it comes to making practical use of the truth he made clear. If thoughts of its application "run counter to our prejudices, let us not flinch; if they challenge institutions that have long been deemed wise and natural, let us not turn back."

The Single Tax

What is the single tax?

The single tax is a proposition to raise **all** revenue for needed governmental expenses from land values only.

It is not a tax on wealth.

It is not a tax on production.

It is not a tax on the industrious.

It is not a tax on the enterprising.

It will not take wealth from those **who** have honestly acquired it, for the purpose of dividing it among those who lack either the desire or the capacity to become financially independent.

It taxes the products of neither the **cre-**ative genius nor the humble plodder.

It is in full accord with the moral law.

What is land value?

When two persons desire the same plot of ground, land value arises. If three persons desire it, this value is increased. If scores of thousands cast longing eyes upon it, the value begins to run into the hundreds of thousands of dollars per acre.

Why do so many desire the same piece of ground?

Because of the fact that the returns from it will be greater than from the same **area** located elsewhere. Less labor will bring a larger reward. Its best use may be **ob-**tained through the medium of a factory, office building, department store or residence site. Its value will be determined by its

location as compared with other available sites.

Thus land values increase with increase of population, and decrease when population from any cause declines. Land value can be coaxed into life by arousing in people a desire to live in some particular locality, or it can be depressed by holding land so long out of use, through demanding an exorbitant price, that the desire to build a home there takes another direction.

What proportion of land value is due to the owner of the land?

The land owner contributes to the value of the land in just the same proportion as every other member of the community; neither more nor less. If he is an absentee owner, he contributes nothing.

The Astor family is a striking example of absentee landlordism. Millions of dollars are annually sent from New York to London for the benefit of the Astors, without New Yorkers receiving anything in return. It is one of those drains that help to explain why the exports from the United States are so many millions more than the imports.

Land value, to sum it up, is a communal creation, to which each individual in the community has contributed, and therefore each individual is entitled to recognition in its distribution.

How can land values be equally distributed?

Man is a social animal. He likes to herd. There is pleasure to him, in having others near him, especially those who are his social equals. Besides, it enables him to increase his output with less exertion. It

brings production and distribution close together, reducing the cost of transportation and stimulating consumption. Two men working together can produce more than two men working separately. A large factory can produce and sell its output cheaper than a small one.

Co-operation is a vital factor in civilization. When any considerable number of people begin to live close together, new problems arise of which those living in thinly populated areas can have but a faint idea. There is a necessity for co-operation in supplying water, building sewers, paving streets, lighting the public thoroughfares, protection against fire and the guarding of life and property.

Should each individual attempt to do all these things himself, by digging his own well, guarding his own property, etc., the expense would in great measure consume much of the benefits derived from a community life. In a word, it is healthier, better and cheaper to do these things collectively than separately.

Here, then, is, on the one hand, community values—land values—due to a compact or congested population; and community expenses, also due to the fact that many people are living close together in a restricted area. To these community values and to these community expenses, each individual has contributed, be he rich or poor, high or low.

It is not only economically sound, but it is ethically unassailable, for the community appropriate these social values—land values—for these social necessities. No one is robbed, no one is oppressed, no one is discouraged by a tax on land values.

What would be the effect on industry of the single tax?

The single tax would stimulate every branch of industry except the industry of holding vacant land out of use; this would be unprofitable.

Land values are very different from labor values. Tax land values and land become cheaper. Tax the products of labor and they become dearer. The tax is added to the cost of production, and is paid by the consumer. Houses and goods, like dogs and saloons, can be taxed out of existence. When windows in France were taxed houses were built without them.

Whether taxed or untaxed, land area can neither be increased nor decreased. The earth is just the same size as it was when Adam and Eve walked in the Garden of Eden. It will be the same size when the human race has disappeared. Increase the tax to the full annual value of the land, and its serviceable value to man will not be changed in the least. But its selling value will be nil. The tax will absorb the rent and so long as the land value tax is not increased above its normal rental value, industry will be stimulated to the fullest extent to use the opportunity presented.

How would industry be stimulated?

In the first place capital would no longer be needed to purchase land for business activities. Capital could be used in production, and production stimulates labor. "Money and credit, free from all taxes, would crowd into the industrial field." In fact, there would be no other way to use capital than to employ labor in production. Land being practically free, except for the

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annual tax, which under the single tax would not exceed the value created by the community, no one need be idle from compulsion, for he could always employ himself if no other employer desired his services.

In fact, no one would work for less than he could earn working for himself, and immediately the employer and the employee would be placed on an equality in bargaining. Whenever new land has been opened to labor, wages have increased. All would not desire to be farmers, but enough would be to immediately relieve the market for laborers.

More people could afford to have houses of their own. They could more readily find means to build, once the incubus of tying up their capital in a site was taken off their shoulders. The industry of building would immediately stimulate all other industries, from the miner digging iron to be turned into hardware, to the lumberman in the wilds of Canada or the swamps of Louisiana turning trees into timber.

Consumption would keep even pace with production, for the wages of the laborer, other things being equal, would be the full fruits of his toil. Overproduction would be impossible, for the power to buy and the capacity to consume would be as great as the opportunity to produce.

Cities would grow naturally, but compact, being neither congested by high prices for building sites, nor diluted with great stretches of vacant land (which are opportunities for employment kept out of use), with residence streets scattered over a wide area, and increasing beyond the legitimate need the cost of supplying water, sewers, police, light and fire protection.

But would not the land owner shift the tax on his land to the tenant?

He could not. He charges already all that he can get. If tenants could be compelled to pay more, they would not be allowed to escape.

Consider for a moment. There is no one on whom the owner of vacant land can cast his tax burdens. He must pay them himself. This at least is plain: He cannot increase the selling price because of the tax, for the selling price is regulated by the demand for lots. The same rule applies if the lot is improved. Be the land value tax big or little, the value of the lot depends on the number of people desiring to use it. A mortgage on a lot does not enable the owner to charge more for its use. His equity is diminished in proportion to the size of the mortgage, but the value of the lot to the community is not changed. A tax on a lot does not lessen its productiveness or desirability.

Does anyone except a single taxer hold that the tax on land values cannot be shifted to the tenant?

All political economists of repute insist that the tax on land values cannot be shifted. Adam Smith, the father of political economy, who wrote his "Wealth of Nations" some 150 years ago, in his chapter on taxation says:

"A tax on ground rents would not raise the rents of houses. It would fall altogether upon the owner of the ground rent, who acts always as a monopolist, and exacts the greatest rent which can be got for the use of his ground. . . . As the rent of competitors (for the land) would in no wise be increased by a tax upon the ground rents, they would not probably be disposed to pay more for the use of the ground."

Jean-Baptist Say, a French economist of the early part of the nineteenth century, in his treatise on political economy, book III., chapter viii., says:

"The owner of land will never be able to saddle the consumer of its product with any part of his land tax. . . . Property in dwelling houses is otherwise circumstanced; a tax upon the ownership raises rents; for a house, or rather the satisfaction it yields to the occupant, is a product of manufacture and not of land, and the high rate of house rent reduces the production and consumption of houses, in the like manner as of cloth or any other manufactured commodity. Builders finding their profits reduced will build less; and consumers finding the accommodations dearer, will content themselves with inferior lodging."

Quotations of like intent can be produced almost without number. A tax on land rents is a tax on land values, for the rent of the land depends upon its location value. Taxes on land values fall wholly upon the landlords, and cannot be shifted to any class of consumers.

Would it not be wrong to tax only one kind of property for the expenses of government?

"Property" is a very loosely constructed word, meaning many things to many people. If you mean by the word "property" value created by labor, the wrong word is being used to give your meaning. In that case the right word to use is "wealth." All wealth should go untaxed. Land value is not wealth—it is privilege. Taxing land values out of private hands into the public treasury is not depriving anybody of anything his labor created. It is simply applying public values to public uses.

You say the single tax is not a tax on wealth, production, industry or enterprise.

Will not the tax have to be paid from the products of labor?

Population increases production through co-operation. The blacksmith in a backwoods settlement can make a wagon, but he cannot make it as cheaply as can a carriage company in a populous district. And he cannot make as good a wagon. If the carriage company was located in a backwoods settlement, it could not produce wagons as cheaply as it does in a city because it would cost more to get the raw material to the factory and the finished product to the consumer. Transportation is a part of production, and production is never completed until the goods are in the hands of the consumer.

These benefits that come from co-operation and nearness to a market reflect themselves in the availability of sites, not only for making and selling wagons, but for all other kinds of merchantable commodities. The more available a site, the greater its value. So without population the site would have no value, there would be no co-operation, and nothing could be saved in transportation. It is this saving, which is not due to better methods of manufacture or to greater industry on the part of wage-workers, but which is due to density of population, that would be taken by the single tax.

Labor and enterprise must pay this land value to someone; to the land owner, as is done today, or to society, through the operation of the single tax. If paid to the owner of the land, it ministers only to his needs and pleasures; he returns nothing for it; if paid to society, it is used for necessary governmental expenses, in the benefits of which all participate, and it becomes unnec-

essary to raise revenue through fines on production.

Thus the tax is returned to the producer in societary benefits.

Will not taxing land values in full destroy the incentive to own and improve land?

It will only destroy the incentive to monopolize land. What the improver wants is possession, and having that, he improves in the way which he believes will give him the greatest returns. The single tax will not deprive him of this power of possession.

The land of much of London is owned by one class of persons, and improved by an entirely different class. Even in the large cities of this country it is becoming customary for the occupants to make improvements, and often, on the expiration of the leases, the improvements become the property of the land owners. Says Henry George in his letter to Pope Leo XIII. on "The Condition of Labor":

"If the state levy a tax equal to what the land irrespective of improvements would bring (in other words, if it appropriate land values) it will take the benefits of mere ownership, but will leave the full benefit of use and improvement which the prevailing system does not do. The owner . . . will be perfectly free to retain or dispose of the full amount of property that the exertion of his labor or the investment of his capital has attached to or stored up in the land."

Under the single tax no land would stand idle that could be utilized. Improvements would spring up on every hand, and it is possible that much land would come into use simply by the improvers paying into the public treasury the annual land value tax.

Why do you call a tax on production a fine?

A fine is a legal expedient to penalize wrongdoing. A man gets drunk, makes an exhibition of himself on a public thoroughfare, a policeman arrests him, and the judge says "Ten dollars!" in the hope that the prisoner will not repeat the offense. A tax on the products of labor acts in the same way. It increases the cost of production, and anything that increases the cost of production restricts the sale of commodities and reduces the ability of the people to purchase and consume. If Detroit or any other city should tax oranges a dollar a dozen, it would be a blow at producers as well as consumers of oranges. The rich would still eat oranges; the poor would have only the recollection of the time when oranges were cheap to console them; the peddler of oranges would disappear; the raiser of oranges would have fewer customers; labor and capital would have been fined (discouraged) in the pursuit of their calling.

Any legal obstacle to perfect freedom in production increases the cost. In proportion as cost is increased production diminishes. With diminishing production labor is idle, and competition between laborers for employment reduces wages. A lower wage scale lessens the amount that can be spent for consumption, and the factory is obliged to put its employees on short time or to close for an indefinite period. In time society accommodates itself to taxes on production, but whatever prosperity attaches itself to industrial activities is in spite of and not because of any tax that the government may levy. The freer is trade, the greater are the rewards to labor and capital

Fining wealth producers for their enterprise and industry is about as sensible as would be the rewarding of lawbreakers in proportion to their ability to keep policemen busy and provide work for judges, court officials, sheriffs and prison keepers.

Are there not plenty of cheap lots for those who want to occupy and use them?

Cheap lots are disadvantageously situated in proportion to their cheapness. One can buy a tract beyond the limits of a city for a few dollars. But it has neither water nor sewer conveniences; it is beyond the artificial gas limits; it is neither policed nor protected from fire; there are no paved streets, nor any sidewalks. So, while it is cheap, reckoned in dollars, it is dear reckoned in those things that go to make it desirable.

The nearer you get to the center of the city the larger are the number of social conveniences ready at hand. And the fact that a lot near the center is a time-saver in going to and coming from business is exceedingly important when calculating its value.

When the center of a city shifts, the center of land value shifts with it.

Would it not be a gross injustice to let the rich escape all taxes by exempting their stocks and bonds?

In so far as the stocks and bonds represent labor values, the owners should be put on the same equality as the owners of other labor values. Such values should be exempt, as a matter of justice and good sense. In so far as the stocks and bonds represent land values, they could not escape. The proposition is to tax ALL land values and

that includes the land values represented in stocks and bonds.

The steel trust, for example, is a land owner, and its stocks and bonds represent in great part interests in mines and areas in populous centers covered with buildings, blast furnaces, coke ovens and machinery for the manufacture of iron and steel. Railroads cannot exist without land on which the ties for the rails must rest, and depots and freight sheds be built, and as this land will be taxed according to the value the community has given it, it is apparent that the single tax will extract from the coffers of the steel and other trusts and the treasuries of the railroads all those values created by the community.

Do single taxers object to income, inheritance and tariff taxes?

There is a feeling that a man who is very wealthy has acquired it by some method which, while it may be legal, has not been moral. Therefore there is a desire on the part of society to penalize him by a tax which will apply to him only—say an income or an inheritance tax. There is excuse for this feeling, for we see around us every day men with ability not one whit above the average who are rolling in wealth. But the right way to get at such a condition of affairs is to withdraw the privileges by which they have been enabled to accumulate wealth beyond their deserts. One of the privileges—and the most important one—is the private ownership of land values.

The steel trust has also been given special tariff privileges, through which it is enabled to tax the people and pay enormous dividends. The single tax would abolish

this privilege, to the advantage of consumers generally and without harm to labor.

Would the single tax reach the Standard Oil Co.?

The Standard Oil Co., it has been said, owns very little land, and therefore the single tax would not be able to reach this great octopus. It is true this corporation owns comparatively little oil land, but how about its pipe lines? Are they not occupying land? Take away its secret freight rebates, make its pipe lines public carriers, and immediately independent oil refineries could live. And, living, the cost of petroleum would increase because of competition for it, and the price of kerosene, gasoline and the other products of petroleum would be reduced because of competition in their marketing.

As a matter of fact, the Standard Oil Company owns a large amount of valuable land, for its termini cover many valuable acres in and near New York city. And, like the railroads, its pipe lines occupy many other acres. But Standard Oil stockholders own vast quantities of land, bought with the profits from the Standard Oil monopoly. They own valuable copper mines, and also hold possession of extremely profitable iron mines.

Secret rebates and the tariff on oil helped to give the Standard Oil Company its start. It continues its exploitation of the public through the monopolizing of natural opportunities outside of its original business.

Are single taxers socialists or anarchists?

Single taxers are neither socialists nor anarchists. Socialism and anarchy are op-

posite extremes of belief as to the manner in which society should be conducted. The ordinary socialist would have the state the only employer. There would be no private business. Each member of a community would be assigned his place in the social economy. Capital—that is, wealth used to produce more wealth—would be held in common, but the product of each individual would be his to expend as he thought fit. Socialists would suppress competition in business and employment. Each unit would be compelled to do whatever the majority, through its boards, considered to be for the best interests of all.

Anarchy, on the other hand, would do away with all coercive power by the community. No one would be compelled to do anything that in his judgment was not for his own benefit. Society would be a voluntary association, and the expectation is that environment under anarchy would be so greatly improved that the nobler qualities of the human being would in time eliminate those baser tendencies which now lead to what is called crime.

Single taxers are only socialists in so far as they believe in the governmental ownership of all things that are in the nature of monopolies. This includes transportation and the furnishing of water, light and heat. It is possible, some single taxers say, that other activities should be municipalized, but that could be determined after these occupations, depending on the direct use of public property, had become common property. They are not socialists when approaching the problem of conducting those businesses which are free to all, and which therefore are believed to prosper best under individual initiative.

Logical single taxers are anarchists only

in so far as they believe in absolutely free competition. Single taxers believe the coercive power of the state—the “state” here meaning society—is necessary in dealing with the land question, in order that exact justice may be done to all. Single taxers would not change the present form of government. Single taxers would so improve government as to give each individual an opportunity to work, and to enjoy the full fruits of his labor.

Thus the single tax might be called eclectic, in that it attempts to combine in one system all that is good in socialism as well as in anarchy.

Do single taxers desire to nationalize the land?

Single taxers believe in the private possession of land, and in the community ownership of land value. Those who make improvements should be secured in them, and if they have exclusive possession they have all they are entitled to.

Would not the single tax be a great burden on the farming community?

No. Just the contrary. It would relieve the farming community of many of the burdens it now unjustly bears. Land values in the main lie in the cities. Under the single tax the farmer's land will be taxed on the value of virgin soil in his locality. There are 80 or more cities in Michigan with an area of about 300,000 acres. These 300,000 acres have a greater value than the 12,000,000 acres of improved farm land in the state. For proof of this statement see the Michigan Labor Bureau Report issued by the late Henry A. Robinson in the '90s.

What would be the effect of the single tax on the selling value of land?

It would lessen its selling value. Present prices on land are speculative. By keeping a large area out of use the competition for the land in use raises its price. With a full land value tax vacant land will seek a market; the tax will have precisely the same effect as increasing the amount of anything thrown on the market. It may decrease the annual value of some land, but not the annual value of all the land available.

Would the single tax benefit tenants?

Most certainly. It would, in the first place, relieve them from all taxes on their accumulations and earnings in the form of wealth, and in the second place they would receive a benefit through the throwing upon the market of vast areas of vacant land now monopolized. Tenants would pay to the public lower ground rents than they now pay to landlords. And they would not be burdened with taxes on improvements which landlords now make and pay, and then collect from the tenants in the form of rent, plus the trouble of paying the tax.

As a rule, improvements on residence property are worth much more than the land. Improvements under the single tax being freed from governmental exactions, the competition between landlords for tenants will reduce the annual rent. Owners of buildings can charge for rent no more than a fair return on the capital invested. If from any circumstance they are able for any length of time to charge and collect more than this, idle capital, or capital receiving a less return, immediately flows in the direction of building houses, and competition between house owners for ten-

ants soon reduces rents to the average interest made by other capital in other enterprises.

Did not the owner of the land exchange his wealth for it? And would it not be an injustice to deprive him of it?

This shifts the inquiry as to the nature of the single tax from economic to moral grounds, on which the single tax is absolutely unassailable. Society most certainly has sanctioned the custom of property in land values, yet society is not bound forever after to uphold the right of land owners to levy tribute on the public. What is morally wrong cannot be made right by custom. The holding of human beings in bondage was once almost universal. Yet slavery was never ethically allowable. When Captain Kidd sailed the Spanish main scuttling ships and making his captives walk the plank, it did not give him the moral right forever to tax commerce in this way, even though some nations did actually pay pirates a bribe to be let alone. If by reason of long-continued pirating Captain Kidd's methods of getting an easy living had become both legal and moral, he might, by issuing bonds on the faith of the people to submit to his exactions, ever after have lived on the interest, willing his inheritance to his heirs and assigns.

What is not in itself rightful property can never become rightful property by bargain and sale. Society, it is true, has heretofore sanctioned the taking of land values for private use, yet one generation or a hundred generations in wrong-doing cannot bind the next generations to wrong-doing also. It is wrong to take private property for public

uses; it is equally wrong to take public property for private uses.

Expediency might demand that society having long sanctioned this wrong, should proceed slowly in applying a remedy. That is a matter of policy, but it does not alter the fact that when society realizes the wrong-doing and its effect, it should at least begin to cease to do evil, and begin to do right.

I have heard it remarked, apparently in sober earnest, that the single tax is a scheme of "cold-blooded robbery" to deprive land-owners of "their property." Actually the "cold-blooded robbery" is the taking of values created by society for private uses "THEIR" property! What blasphemy!

In taking land values for governmental expenses, one is not dealing with PAST wrongs. The value is being created NOW, the community needs it NOW. What was done ten, or a hundred, or a thousand years ago, is of little account compared to the fact that under the present tax system the robbery is continuous. NEW social values are being converted to private uses—this year, this month, this week, this day, NOW.

I think society can better afford to let past robberies go than to try to right past economic wrongs. It is best not to look too deeply into the methods by which great fortunes have been accumulated, lest it arouse such bitterness that the innocent may suffer for things done by those who are dead and gone. Back of every deed of private ownership of land values is generally to be found a sword, and what was won by the sword can just as easily perish by the sword. But society cannot afford to let the wrong continue.

What would you do in the case of the widow whose sole means of support is the income for a mortgage on a piece of land?

This is a case of the single tax doing a financial injury to someone not responsible for economic conditions. Take it for granted that the single tax would beggar her. What then? In my opinion, under such conditions, society is in honor-bound to see that she does not suffer. And society could well afford to take on this burden for the sake of the benefits that the single tax would confer on all classes, and especially on wealth producers.

Legally, the widow has no claim any more than the owner of a stage route had a claim on society when the railroad ruined his business. - No more claim than the owner of watered street car company stock has on the city for refusing to pay interest on it in excessive rates of fare. But it sometimes happens that it pays better to buy out even at a stiff price than to enter into litigation; and certainly it would pay better to see that the widows and orphans do not suffer financially when society is correcting a social maladjustment in which widows and orphans had little part.

Under the single tax, future widows and orphans will be less likely to need aid by society than the widows and orphans of to-day; for the bread-winner will be in a position to better provide for those under his loving care.

Would you tax the poor widow's lot, on which is built her modest little cottage, as much as the adjoining rich man's lot, on which is his mansion?

Certainly, if the land in each case was

equally valuable. But this is a man (or woman) of straw, put up to be knocked down. Poor widows' cottages are not found alongside of rich men's palaces. No matter who possesses the land, society is entitled to all the values created by society. In no other way can justice to all be done.

Is the single tax making a progress?

No fundamental economic movement has ever advanced with greater strides. The first edition of Henry George's "Progress and Poverty" was issued in 1879. Today there is not a civilized country in which there is not an active movement for the adoption of the single tax. The greatest progress has been made in the Canadian Northwest, which has accepted the single tax in great part. About all the cities of Great Britain have petitioned parliament for the privilege of taxing land values, and the land of that country is now being revalued for taxation purposes. Germany has begun to impose a tax on increased land values. Australia and New Zealand have graduated land value tax. The movement for the absorption by the government of land values is strong in Denmark and Norway.

Vancouver, B. C., in 1895 reduced assessments on improvements 50 per cent. In 1905 there was a further reduction of 20 per cent. In 1910 taxes on improvements were abolished. Two-thirds of the population of British Columbia live in municipalities that exempt improvements and personal property entirely, or else impose a very small tax—one or two mills—on improvements.

The single tax is making progress in the press. Sneered at and laughed at when

"Progress and Poverty" was first issued, it now finds its most powerful advocates in the press. "We have to consider Mr. George's position essentially unsound," said the New York Nation in the early '80s; while another publication said it was "the most pernicious treatise on political economy that has been published for many a day." The twentieth century tone of the press is just the reverse. As indicating this, an extract from Collier's Weekly of October 26, 1912, reads: "Before the community reaches a final settlement of the monopoly problem, it will have to include a radical change in the methods of taxation, and this will include a great change in the view of public and private rights in land and in what lies in the earth. Any unearned increment, whatever its nature, fails to suit the modern conscience, and ultimately it is likely to go."

Is the single tax making progress among farmers?

In the United States the farming class has not yet been reached by those advocating the single tax. So only a small percentage are single taxers. But this is only a matter of education. The time will come when farming communities will be among the first to insist on utilizing for government expenses the unearned increment. In January, 1913, the United Farmers of Alberta held their convention at Edmonton and resolved: "That in the opinion of this association it is desirable that all farm lands in Alberta situate in school districts, whether in rural, village or town districts, should be assessed on a uniform basis, preferably on a plan for the taxation of land values." Later a stronger resolution was carried: "That this convention places itself

on record as being strongly in favor of the system of taxation of land values for all kinds of taxation in this province; further that the executive press on the government the advisability of placing an extra tax on the unearned increment on all unoccupied and unutilized land in the province."

On December 18, 1912, the Grain Growers Guide said: "The adoption of taxation of land values as the means of raising all revenues . . . would make it unprofitable to hold land idle, and would make all land available for use. The destruction of land monopoly and land speculation would be an incomparable boon to all producers."

What is economic rent?

Rent is the difference in annual value (due to its increased desirability or productivity) of any particular piece of land over the least desirable or productive in use. This is capitalized into selling value, which is the price paid for the privilege of collecting this annual rent, or what is left after the tax on the land is paid.

Is land value capital?

No. Land value is a value which has increased from nothing without the investment of capital. Capital is that part of wealth (which is the product of labor) used to produce more wealth.

Why is it said that the single tax will be no burden on labor or capital?

Because it is paid out of the increased production resulting from increased population, and this is due to neither labor nor capital.

How would you bring about the single tax?

Societary wrongs that are deeply embedded in law and tradition are not easily righted. It is wisdom to go slowly, even when going in the right direction, lest we stumble and retard our progress toward the goal of our desires. Today taxes are piled on taxes, so that often wealth in process of being produced is taxed several times over before it reaches the hands of consumers.

The governmental machinery is already in use for levying all taxes on the value of land. And the single tax will be in full operation when this machinery is no longer used for levying taxes on improvements or personal property.

Public opinion must be educated in its favor and while not all sections of the country will accept it readily, mainly because of time-honored customs and habits of thought in other directions, yet the idea will find an increasing number of followers. For example, Assessor Pastoriza of Houston, Texas, backed by public opinion, has entirely exempted all moneys, notes, evidences of indebtedness and the personal property of individuals, except stocks of merchandise, which are taxed on a valuation of 25 per cent of actual value. Improvements on land are assessed at 30 per cent of their value, while land is assessed at 70 per cent of its value. And many in Houston heretofore opposed to the theory of the single tax, now acknowledge that this exemption of improvements and personal property tends to the city's prosperity.

Where the state constitution permits, progress may be made by enacting laws allowing cities to reduce taxes on improvements. Also by allowing Home Rule in

taxation. In Pennsylvania, both Pittsburgh and Scranton have been allowed to strike off 10 per cent at each triennial assessment, until at the end of fifteen years improvements will be assessed at only 50 per cent of actual value. The cities of Colorado have the right to determine by referendum on what class of property they will assess taxes; and Pueblo has practically voted to exempt from taxes all property except land values. A small beginning would be the exemption of improvements on homesteads, to the value of say, \$1,000*. Where state constitutions do not permit these exemptions, amendments should be urged.

The taxation of debts should cease. One should not be taxed for what he owes. Mortgage taxation does this. Today we tax house and land, and the mortgage on house and land, when a mortgage is simply a certificate of part ownership in house and land.

Take the tax off raw materials in process of manufacture and in goods ready to be sold, for both these taxes work injury to wealth producers, by restricting the market and reducing consumption.

Tariff taxes on trust-made goods can be reduced or entirely repealed without injury to labor or honest business. Ostensibly a tariff on imports is supposed to be a protection to American workingmen against the "pauper labor" of Europe. Really it has no such effect. "For every 25 cents it puts into the treasury it takes a dollar and maybe four or five, out of the pocket of the consumer."

Wages are high in the United States, not because of taxiff taxes, but because it is

*Michigan now exempts from taxation the homesteads of old soldiers.

easier to employ oneself here than it is on the other side of the Atlantic. Always and everywhere cheap arable land, easy of access, makes high and equitable wages.

Internal revenue, income, inheritance and corporation taxes are all crude and inequitable; they should, in time, be compelled to "go."

Finally, when the army of tax assessors and tax collectors have been dismissed and allowed to enter productive employment, and have become wealth producers as well as wealth consumers; when the basis for loans has been shifted from land values to improvements on land; when no man stands between the man willing to work and the land, which never fails to give employment; when the ability to consume equals the ability to produce by reason of the removal of all barriers between production and consumption, because wages will then equal the full value of the things produced; and when the community is collectively carrying on its own public utilities from the social fund provided by a tax on land values, we shall be in position to see clearly whether it is necessary in order that there be exact justice between man and man, that society take in hand ALL the means of production, as proposed by the socialists; or whether free competition will bring the most beneficent results.

At least society under the operations of the single tax will have closed the gap between extremes of poverty and riches, for then no man need go hungry, nor shelterless, nor naked, if he has any desire to be a wealth producer.

APPENDIX.

The following information will be found to sustain the argument as to the enormous increase in land values in the centers of population: and it is also shown that the owners of improved land will have less instead of more taxes to pay:

BOSTON.

C. B. Fillebrown, in his "A. B. C of Taxation" (page 56) gives a Boston example of increase of land values and decrease in building values. He takes the valuation of both sides of Winter street, including the estates on the Tremont and Washington street corners, and reaches the following conclusions:

Year.	Land Value.	Per Sq. Ft.	Per Acre.
1898	\$5,142,600	\$61.57	\$2,681,989
1907	\$ 272,000	27.50	4,247,100
	Buildings.		
1898	\$ 675,000	\$ 8.08	\$ 353,836
1907	605,200	7.13	310,582

This shows in nine years an increase of 58 per cent in land values, and a decrease of 11 per cent in building values. The land fronting Winter street was assessed at less than \$4 per square foot in 1850: it was assessed in 1907 at \$130 per square foot.

In the Boston Common of December 2, 1911. Jonas M. Miles shows that the real estate owners in 16 of the 25 wards would have less taxes to pay under the single tax than under the present system. And he adds:

"But some land owners would have larger tax bills? Yes, that is so. The owner of vacant

land (if he now pays no other taxes from which the single tax would free him) would find his tax doubled. But there's no such man. Every owner of vacant land now pays some tax from which single tax would free him, and nobody's tax burden would be doubled. . . . The increase in the value of land in all Boston, 1860 to 1910, was \$225,000,000, and \$143,000,000 of that \$225,000,000 came in two wards.

"Do the land owners in 16 wards in Boston know what the single tax would do to them? Do the landlords in the other nine wards know how little they would be hurt by it? I am looking for the landlord who would be hurt and have a right to complain, and I can't find him."

The condition in Boston can be duplicated in every large city in America.

DETROIT.

Detroit, Mich., covers a little over 25,000 acres. This land was assessed in 1911 for \$130,000,000—say an average of \$5,000 an acre. In 1880 it was assessed, in round numbers, for \$55,000,000—an average \$2,000 an acre. In the meantime the population increased from 125,000 to 500,000. Land in the center of the city now sells for several million dollars an acre, and lots 60 by 100 feet lease for from \$10,000 to \$20,000 a year, on 99 year leases, which shows that the owners will receive in the next one hundred years between \$1,000,000 and \$2,000,000 of unearned increment—value created by the community and not by the owner. On these leased lots magnificent department stores, theaters and office buildings have been or are being erected.

Detroit is one of the oldest cities in the United States. It was an Indian trading post in 1702. In 1805 a fire destroyed it, sweeping away all the land marks, and the governor and judges of the territory replanted

and the city, giving every person a piece of land to quiet titles. Today less than 1,000 persons and corporations own over 53 per cent of the city's real estate values. And yet Detroit is called a "city of homes." On residential streets the value of improvements greatly exceed the value of the land. In the center of the city the value of the improvements and the personal property sheltered about equal the value of the land, which bears out the late Thomas G. Sherman's contention that the value of the land reflects the value of the improvements on the land.

GREATER NEW YORK.

Population July 1, 1908.....	4,422,685
Ordinary land value	\$3,843,165,597
Value of improvements.....	2,298,334,523
Value of "special franchises".....	492,490,476
Value of "real estate of corporations"	\$3,425,209
Land value per capita of Greater New York	868
Land value per acre	18,375
Total value of real estate in city.....	6,722,415,739
These figures do not include exempt real estate, amounting in the aggregate for both land and improvements, all boroughs, to.....	
	1,239,883,798

"Special franchises" includes not only the franchise itself but also all fixtures within the street lines, such as railway tracks, poles, wires and conduits. "Real estate of corporations" is a curious and cloudy term used to designate certain property belonging to franchise holding companies and lying outside of the street limits. It includes house connections and in some cases car barns, depots, etc., although nobody could tell beforehand whether such a piece of property as the Grand Central station would be assessed as "real estate of cor-

porations" or as ordinary real estate. The figures show how land value mounts in great commercial center, the owners living off the wealth others create. It is estimated that New York city land value is held by 3 per cent of the population.

URBAN VS. SUBURBAN LAND VALUES

Writers on political economy have heretofore devoted much of their time and space in writing about agricultural instead of urban rent. Yet it is the urban rent that is the most important. This is true of more recent writers as of earlier ones. For example, E. R. Seligman, in his "The Shifting and Incidence of Taxation," devotes 1,366 lines to agricultural and only 506 lines to urban rent. In thirty-four leading works of thirty authors, 42,094 lines are given to agricultural and 2,919 lines to urban rent.

A MATTER OF EDUCATION.

The late Rev. Edward McGlynn uttered a great truth when he said that "we can only accomplish the change we seek by the slow process of educating men to demand it. . . . We cannot get to the single tax by one leap, but only by gradual steps which will bring experience to the settlement of details."

GROUND RENTS.

Thomas G. Shearman, in his book on "Natural Taxation," makes the statement that "Ground rent is invariably sufficient to meet all the expenses of necessary government." And he continues: "But as government never exists where society does not exist, and as society offers many advantages

n addition to the mere benefit of government, the privilege of living in society is worth much more than the mere cost of government."

TENEMENTS AND LANDLORDS.

As showing to what degradation the present economic system in "civilized" society has brought many, the words of Cardinal Vaughan at an annual conference of the Catholic Truth Society is significant. He said: "Millions of human creatures are housed worse than the cattle and horses of many a lord or squire. Nearly one million of the London poor need rehousing. . . . The poor are huddled together in numbers varying from four to twelve in a single room. What delicacy, modesty or self-respect can be expected in men and women whose bodies are so shamefully packed together?"

The Final Word

The truth that Henry George has taught
“That God in all things may be sought—
That in his economic sphere
His moral law shines plain and clear,”
Is making way.

The seed which George with pains did
sow,
Strong in the faith that some must grow
Casting it on the barren soil
’Midst weeds that choke—where fowl
despoil,
Bears fruit today.

By teaching men to rule God’s earth
With righteous laws,
George did not live and work in vain.
He blazed a track that marked it plain
And coming down the road we see
The sure advance of liberty—
The people’s cause.

HARD TIMES—About panics, the cause and the cure. By James Pollock Kohler, lawyer, New York City.

THE LOST ISLAND—By Mr. E. J. Austin and Louise V. Sheldon, with a conclusion by Wm. Lloyd Garrison, and 17 illustrations.

THE INITIATIVE AND REFERENDUM—An Effective Ally of Representative Government. By Lewis Jerome Johnson.

TAXATION—By Francis I. du Pont of the du Pont Powder Mills Co., Wilmington, Del. A treatise on the Single Tax for business men.

THE BATTLES FOR LAND REFORM IN ROME AND THEIR LESSONS—Being Chapter VI of "Bodenreform" by Adolph Damashke. Translated by Joseph Danziger.

A LETTER TO THE COUNTY CHAIRMEN AND OTHER CHAIRMEN—By Amos Pinchot. An explanation of the failure of "good government."

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